C0175-1
10/19/88
A

TOP FINANCE FIRMS — TABLES BEGIN ON P.14

American Banker

The Daily Financial Services Newspaper

150222000015 2/ 5/07 C11
CONGRESSIONAL INFOR SREV SRI
ACQUIS EDITOR SRI
4520 E. WEST HIGHWAY
BETHESDA MD 20814

VOL. CLIII NO. 205 Wednesday, October 19, 1988 153rd Year

Today

Transamerica Financial Corp. now ranks among the nation's 10 largest finance companies, according to the *American Banker's* 38th annual survey of these companies. The three top contenders in this category remain the financing arms of the largest U.S. automobile manufacturers — General Motors Corp., Chrysler Corp., and Ford Motor Co. 2

The $3.5 billion U.S. government bridge loan to Mexico is expected to increase pressure on private lenders to start new talks on restructuring the country's debt. 2

Northern Trust Corp. signed a definitive agreement to acquire the $70 million-asset Concorde Bank Dallas in a move to expand its highly profitable trust business into new markets. 2

Californians will decide whether state-chartered banks may enter the insurance market, as voters face two clashing proposals on the November ballot. 3

In the News 3
Letters to the Editor 4

COMMENT

Public fear over the national deficit is caused by alarmists who have falsely predicted that lack of action to reduce the debt will result in economic catastrophe, writes Robert J. Samuelson. 12

TECHNOLOGY

The debate over the superiority of in-house computer systems versus service bureau arrangements continues without a clear winner. For every sign that the in-house approach is winning out, there comes a contradictory announcement by a major computer service company that its business is stronger than ever. 6

Cullinet Software is selling its version of integrated banking software following 15 months of testing at bank sites. 6

Michael Simmons, who became head of Bank of America's information technology division in July, is realigning the management structure of his unit. 7

Wang Laboratories, a leading minicomputer vendor, is expanding into the market for self-service banking equipment. 8

American Management Systems, Arlington, Va., has formed a business unit to put new emphasis on the management consulting side of its credit systems business. 9

First Financial Management Corp., Atlanta, one of the largest data processing companies serving financial institutions, said it will acquire Appalachian Computer Services Inc., London, Ky., for $46.5 million. 24

Worth Repeating

We're not known for walking in step with Washington.

An official of the Federal Home Loan Bank of San Francisco, commenting on the bank's independent views of the Bank Board in such areas as regulating thrifts. [Page 1]

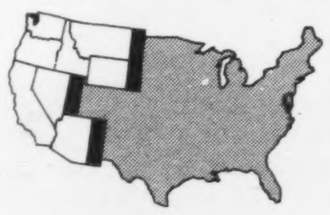
FROM THE REGIONS

THE WEST

A Home Loan Bank Confronts Its Critics

By ROBERT LUKE and MICHAEL A. ROBINSON

SAN FRANCISCO — Every day, the wrecking ball destroys another section of the large green building at the intersection of the financial district and Chinatown.



Pedestrians stop and stare as the heavy machinery demolishes the final remnants of the old headquarters of the Federal Home Loan Bank of San Francisco.

Meanwhile, critics have been taking shots at the bank itself.

For example:

• Saratoga Savings and Loan Association, San Jose, filed a $10 million lawsuit earlier this month. The complaint alleges that the home loan bank and its directors conspired to damage Saratoga's business. Some of these directors are executives of Saratoga's largest competitors.

• The bank's top officers came under fire when word leaked out, via an anonymous letter, that they had flown to Italy and Spain to huntfor granite to cover the $62 million headquarters that will be built on the site of the old building.

• Many of the bank's 216 members — particularly the smaller institutions — are critical of its new tough regulatory approach. They also dislike the higher cost of examinations.

• The Federal Home Loan Bank Board — in what some industry sources have come to regard as a stinging rebuke — recently removed Lincoln Savings and Loan Association from the district bank's regulatory purview. The thrift in Irvine, Calif., had complained to the Bank Board about harsh regulatory treatment.

• And the General Accounting Office, an arm of Congress, is soon expected to launch an investigation into the San Francisco district bank and several others in the 12-member Federal Home Loan Bank System. The probe will focus on the handling of supervisory cases.

The San Francisco bank, with assets of about $36.5 billion and capital of about $3.6 billion, is the largest in the Home Loan Bank System. It is twice as big as the next largest district bank.

Please see REGIONS: Page 20 ➤

Fed Exec: Expand Powers, But. . .

By ANDREA BENNETT
Midwest Bureau

CHICAGO — Silas Keehn, president of the Federal Reserve Bank of Chicago, proposed Tuesday that bank holding companies be given expanded powers, but that the activities of federally insured bank subsidiaries be limited to traditional lending and deposit-taking roles.

Silas Keehn

Mr. Keehn said that such a firewall between a holding company and its bank subsidiary would prevent abuses of the public "safety net" provided by the government — deposit insurance and the right to borrow from the Federal Reserve System.

The plan would also require banks to hold subordinated debt as a "market related buffer" to protect them from losses.

The subordinated debt, Keehn said, would enable market forces to reinforce and complement the efforts of regulators. It would also provide a mechanism to convert the ownership of the bank to new owners with a minimal disruption to the market.

Under the structure proposed by Mr. Keehn, bank holding companies would be free to pursue a broad array of nonbanking activities as long as those businesses are conducted through subsidiaries of the holding company. Mr. Keehn did not specify what nonbanking activities would be permitted.

However, commercial banks would

Please see CHICAGO: Page 12 ➤

Hanover, Marine See Earnings Rise

An American Banker Roundup

NEW YORK — Manufacturers Hanover Corp. on Tuesday reported a 53% increase in third-quarter earnings and announced a dividend designed to make a hostile takeover more difficult.

Money Center
EARNINGS

Other New York banks also reported results for the quarter. Citicorp, the nation's largest bank holding company, reported that its third-quarter earnings dropped 25% from a year earlier. The company said, however, that the latest results were actually 74% above "normalized" earnings in the third quarter of 1987.

Please see PROFITS: Page 22 ➤

EQUASION

The power to make decisions, define situations, test hypotheses, produce results on a dramatically raised plane of intelligence . . . Literally the new generation of card-processing technology.

Call Tom Walsh, Vice President of Marketing,
402-399-7030

First Data Resources Inc.
Transaction Services

Another Shared Success

"Using Shared Financial Systems' EFT software, we were recognized for achieving the highest level of service in the HONOR network."

–Gerald S. Watson
Senior Vice President
First American Bank & Trust
Lake Worth, Florida

Shared Financial Systems

15301 Dallas Pkwy • Ste 650 • Dallas TX 75248
(214) 233-8356 • Outside Texas: 800-527-4131
Ext. 113

AN AMERICAN BANKER SURVEY

Transamerica Finance Unit Cracks Top 10

By L. MICHAEL CACACE

NEW YORK — Transamerica Financial Corp., Los Angeles, a subsidiary of one of the nation's leading insurance firms, now ranks among the nation's 10 largest finance companies.

Transamerica Financial posted a 161% gain in capital funds last year — to $1.63 billion on Dec. 31, 1987, from $625 million a year earlier — and rose to eighth place from No. 23. The gain was the result of parent company Transamerica Corp.'s purchase of Borg-Warner Acceptance Corp., Chicago, in October 1987 for $782.5 million.

Borg-Warner, which at yearend 1986 was the nation's 25th largest finance company in capital funds with $560 million, was renamed Transamerica Commercial Finance Corp. and made a subsidiary of Transamerica Financial.

These are some of the findings of the *American Banker's* 38th annual survey of finance companies, published today. The 100 largest companies among those who responded to the survey have been ranked in order of their total capital funds as of Dec. 31, 1987. In addition, the *American Banker* ranked the top 50 companies in assets as of Dec. 31, 1987; the top 50 in net income for 1987; and the top 10 consumer, commercial, leasing, and factoring companies in receivables.

Top Finance Companies

Total capital funds on Dec. 31, 1987 (billions of dollars)

1. General Motors Accept. Corp.	$7.4
2. Chrysler Financial Corp.	4.6
3. Ford Motor Credit Co.	3.9
4. General Electric Capital Corp.	3.5
5. Sears Roebuck Accept. Corp.	2.4

The *American Banker* surveyed 192 finance companies to identify the top 100 firms in total capital funds. Of the 192 companies, 140, or 73%, responded to the survey.

The size and ranking of finance companies are determined by their total capital funds, which is the sum of stockholders' equity and noncurrent subordinated debt. Stockholders' equity is the sum of capital plus surplus. Noncurrent subordinated debt is subordinated debt with a remaining maturity of more than one year.

Transamerica Financial ranks ninth among finance companies in net commercial and industrial receivables, with $2.5 billion on Dec. 31, 1987. The company also ranks ninth among nonbank-related finance companies in industrial and equipment leasing, with $1.1 billion of those receivables.

Transamerica Financial's consumer lending operations are handled by another subsidiary, Transamerica Financial Services. Transamerica Financial Services had $2.34 billion in net consumer receivables on Dec. 31, 1987, up 2.6% from $2.28 billion in 1986.

The largest newcomer to the listing of the nation's top 100 finance companies is Signal Capital Corp., Hampton, N.H., a commercial finance and leasing company. Signal ranked as the 30th largest finance company on Dec. 31, 1987, with total capital funds of $397 million, up 6.8% from the year before. Last month, Itel Corp., San Francisco, a transportation and equipment leasing concern, acquired Signal Capital from the Henley Group Inc.

A Number of Acquisitions

In addition to the Signal Capital and Borg-Warner deals, there have been a number of other major finance company acquisitions in the past 20 months.

Late last month, U S West Financial Services Inc., a subsidiary of U S West Inc., Englewood, Colo., announced that it had acquired the fixed-asset lending division of Westinghouse Credit Corp., Pittsburgh, for an undisclosed amount. At yearend 1987, U S West Financial ranked 51st in capital funds, with $128 million; Westing-

Please see SURVEY: Page 13 ➤

Loan to Mexico May Encourage New Debt Talks

By BART FRAUST

NEW YORK — The new $3.5 billion bridge loan to Mexico from the U.S. government will increase pressure on private lenders to start talks on restructuring the country's debt, bankers and analysts said Tuesday.

Bankers said so far they have received no requests from Mexico for negotiations, but they expect calls for new talks to begin shortly after President-elect Carlos Salinas de Gortari takes office on Dec. 1.

"It's clear that, with the new loan, there will be a heightened rhythm to get something done," said one New York banker involved in Third World debt talks.

Another banker said the new government's officials are still working out its debt policies.

Mexico has the largest debt load of any Third World country except Brazil. It has approximately $55.4 billion in foreign bank debt, including $13.6 billion in loans from the 10 largest U.S. bank holding companies.

The U.S. loan is intended to tide Mexico over until it obtains longer-term financing from the World Bank and the International Monetary Fund. Negotiations have begun in Mexico City on the new credits.

The new loan surprised many bankers, who had been extremely optimistic about Mexico in the belief that the country had made great strides in revamping its economy. In April 1987, in the midst of Brazil's debt moratorium, bankers approved $7.7 billion in new loans to Mexico.

However, now it appears that Mexico is returning to the list of problem debtor countries. Meanwhile, Brazil, after signing a new debt-restructuring agreement, is now drawing cheers from bankers.

Triple Whammy

Mexico has been hit with what one banker called the "triple whammy" of plummeting oil prices, the effects of Hurricane Gilbert, and skyrocketing domestic interest rates. The drop in oil prices has cut Mexico's trade surplus, forcing the nation to pay the interest on its foreign debt out of reserves.

"Apparently, there was greater pressure on Mexico's reserve position than we had thought," one banker said.

News about the bridge loan to Mexico comes at a time of heightened concern about Argentina, the third largest Latin American debtor country. In the third quarter, the 10 largest U.S. banks have listed an estimated $4.5 billion in Argentine loans as nonperforming. This has reduced these banks quarterly earnings by an average of 8%.

Negotiators for the banks and for Argentina are expected to resume talks today in New York on the country's request for new loans and a reduced interest burden.

However, bankers distinguished between Argentina and Mexico.

"There has been no discussion of Mexico's going nonperforming," one banker said. "The Mexicans have paid interest and continue to pay interest." ■

Northern Trust to Buy Private Bank in Dallas

By RICHARD RINGER
Midwest Bureau

CHICAGO — Northern Trust Corp., in a move to expand its highly profitable trust business into new markets, signed a definitive agreement to acquire a Texas bank.

Northern Trust said on Tuesday that it agreed to acquire the $70 million-asset Concorde Bank Dallas, which was chartered in November 1985. Concorde is a private bank that caters to professionals and entrepreneurs, groups targeted by Northern Trust.

The $9.4 billion-asset Chicago company said it will add fiduciary and investment capabilities to Concorde. Terms of the deal were not disclosed, and officials at the banks could not be reached for comment.

The acquisition is consistent with Northern Trust's strategy of moving into major markets to offer trust services, said Thomas K. Brown, an analyst at Smith Barney, Harris Upham & Co., New York.

"The banks left [in Texas] don't focus on trust," Mr. Brown said. The Dallas market, despite financial problems there, offers Northern Trust "great opportunities," he said.

"Few banks are organized along lines of business" like Northern Trust, he said. In the trust business, "they can beat the pants off others," he said.

Last year, Northern Trust formed a trust operation in California after its bid to acquire BankAmerica Corp.'s personal trust division was rejected as too low.

In recent years, Northern Trust has acquired banks in suburban Chicago and added trust operations in Florida and Arizona. Northern Trust has since converted those trust operations to full-service commercial banks.

Earlier this week, Northern Trust said its third-quarter earnings increased nearly 40% to $25.5 million, or $1.53 per share, compared with $18.2 million, or $1.09 per share, in the year-ago quarter. The third-quarter figure included record trust fees of $50.9 million, which made up 72% of noninterest income and 38% of total taxable-equivalent revenue in the quarter. ■

FINANCIAL TECHNOLOGY UPDATE

A new item processing solution has significantly reduced labor costs for Liberty National Bank, Louisville, Kentucky. NCR's 7770-3000 Intelligent Multi-Pocket System, running a software application from Data Management Products of Omaha, Nebraska has eliminated 65 hours of return item processing labor. All 42 Liberty branches have been converted to centralized processing two months ahead of schedule.

The Financial TOWER System 2 (FTS 2) improves customer service while increasing the number of product offerings. Star Bank, a Cincinnati based financial institution, recently chose NCR's Financial TOWER System 2 for its new branch automation system. In addition to improved customer service and more product offerings, Star Bank wanted to increase productivity. They found that with their new NCR system in place, platform productivity grew in excess of the 20% they expected.

NCR introduces color CRTs for ATM use in August. 5070 Interior ATMs, 5084 Cash Dispensers and 5085 Extra-Function Terminals will all be capable of utilizing these new screens. A PC is installed to drive the EGA monitor which delivers vibrant colors. Standard graphics are provided or PC Paintbrush can be used to design new graphics or modify existing programs. Plus, the CRT's potential for "advertising" at the ATM site is impressive.

The ITX Windows Software System enables multiple host system jobs to be managed through one PC. As part of the new System 10000 software tool suite, ITX Windows allows users of NCR's Banker 80 II System to handle the after-hours work of up to 9 institutions in a multi-bank installation. In addition, loan officers can use the Loan Pricing system and review applicants' account records simultaneously. ITX Windows also supports software development with edit, graphics, view, and window creation capabilities.

For additional information on these new developments from NCR, phone 1-800-CALL NCR.

NCR

Correction

The cost of a corporate video done by an out-of-house professional production crew typically averages between $1,500 and $5,000 per minute for a 10-minute to 15-minute tape. The cost was misstated in "Beam Me Up, Scotty!" (Oct. 9, page 14.) ■

ECONOMIC PERSPECTIVE /COMMENTARY

Deficit Burnout Sets In After One-Too-Many Warnings

By ROBERT J. SAMUELSON

"Some of us stoneheads out here wish you [could explain] the national debt. . . . We know it's 'bad,' but many of us fail to see the connection between the debt and our own personal income."

— Letter from a Reader

I confess to being weary of writing about budget deficits. It's not only that people don't know what to believe anymore — my reader, I think, probably typifies three-quarters of Americans — but I'm not sure what to tell them.

There's a mutual disengagement from this subject, which may explain why the deficits haven't been a decisive issue in this presidential campaign. They bore and bewilder most Americans.

The blame for this confusion lies heavily with those alarmists (not me) who have been loudly screaming for years that failure to fix the deficits would lead to economic catastrophe. Each time one of these frightening forecasts hasn't come true, the public has become a little more desensitized to the whole issue.

The debate has focused obsessively on the deficits' possible adverse economic effects. As long as these aren't obvious, no one wants to do the dirty work of raising taxes or cutting spending.

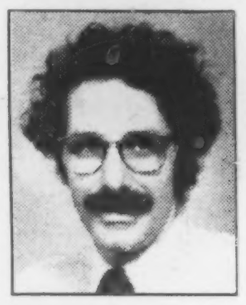
This is understandable, but only because the debate is totally backwards. A budget should be an instrument for political choice. Government programs should be popular or important enough to be supported by a roughly equal amount of taxes.

The discipline of matching spending and taxes means — at least in theory — that legislatures pass only programs whose popularly perceived benefits exceed the added public burden. The deficits signify that we've abandoned this useful discipline.

Both Sides Are to Blame

They are not merely Ronald Reagan's doing. Deficits endure because both liberals and conservatives find them convenient. There's a shared fear that, if push comes to shove, their side will lose.

Conservatives fear that defense spending will be savaged and taxes raised. Liberals worry that social programs will be gutted. No one wants to talk about these choices, so they shift the discussion to economics.



Samuelson Says:

'The deficits are mainly a political, not an economic, problem. You should conceive of them as a tax.'

Deficits have become the 1980s' all-purpose answer to any economic problem or question. During the vice-presidential debate, Lloyd Bentsen was asked if he could explain today's prosperity.

Bensten pounced on that one: "If you let me write $200 billion of hot checks every year, I could give you the illusion of prosperity, too." Wrong, Lloyd.

Yes, the deficits pumped up spending. But much of the added stimulus (perhaps 75% between 1982 and 1986) was accounted for by the higher trade deficits.

The recovery was powered mainly by the energies of a free-enterprise system: businesses trying to expand profits and markets; individuals trying to better themselves. Budget deficits don't explain all economic events of the 1980s, or even most. Many other influences are at work: inflation, the health (or sickness) of other nations, the public's mood, and so much more.

Everything intermingles. For example, you might conclude from what I said above that the budget deficits

Please see ECONOMIC: Page 12 ▸

Mr. Samuelson also writes a biweekly column for *Newsweek* magazine. His column for the *American Banker* appears every other Wednesday.

American Banker
The Daily Financial Services Newspaper
Established 1836
One State Street Plaza, New York, N.Y. 10004
(212) 943-6700

Editor: William E. Zimmerman
Managing Editor: Brian P. Sullivan
News Editor: Thomas J. Ferris
Associate Editors: Sanford Rose, David O. Tyson

NEWS BUREAUS:
Washington: Chief, Robert Trigaux, 911 National Press Building, Washington, DC 20045; (202) 347-5529; Telecopier: (202) 628-6522.
Midwest: Chief, Richard Ringer, 53 W. Jackson Blvd., Suite 230, Chicago, Il 60604; (312) 663-6380; Telecopier: (312) 939-4925.
West Coast: Chief, Robert Luke, Suite 320, 510 W. Sixth St., Los Angeles, CA 90014; (213) 627-0953; Telecopier: (213) 627-8310.
San Francisco: Chief, Michael A. Robinson, 450 Sansome Street, Suite 1420, San Francisco, CA 94111; (415) 986-8705; Telecopier: (415) 398-4156.
Southwest: Chief, Steve Klinkerman, 1401 Elm Street, Suite 4577, Dallas, TX 75202; (214) 748-5666; Telecopier: (214) 748-5668.
New England: Chief, Michael Weinstein, 210 South St., Boston, MA 02111; (617) 542-6848; Telecopier: (617) 542-2221.
London: Chief, John J. Duffy, American Banker, c/o Infopac S.A., 31-35 Beak St., London W1R 3LD England; (011) (441) 439-3066; Telecopier: (011) (441) 734-5153.

Feature Editions Editor: Patricia Stundza
Chief Statistician: L. Michael Cacace
Senior Editor, Copy Desk: Aileen L. Kyte
Art Director: Pamela Budz
Contributing Editor: Paul S. Nadler

President: George W. Landgrebe
Executive Vice Presidents:
Information Products - Robert S. November
Administration - Con A. Rusling
Vice Presidents:
Production Services - Neil Fitzgerald
Advertising - Edward C. Frey

Advertising:
New York: (212) 943-4259
Chicago: (312) 663-6390
San Francisco: (415) 421-7950
Los Angeles: (213) 382-6346
Charlotte: (704) 522-7181
Classified: (800) 221-1910
International: (212) 943-4250
Telex: 421768 ABKR

Subscription Rates: U.S. $525.00, Canada $775.00.
Canada Air Mail and Foreign $1090.00. Single copy $3.45
©1988 by American Banker • Bond Buyer, a division of International Thomson Publishing Corporation. All rights reserved.
"American Banker" is a registered trademark of American Banker • Bond Buyer. Registered in U.S. Patent and Trademark Office.
Published daily except Saturday, Sunday and holidays.
Second Class Postage Paid at New York, N.Y. and at additional mailing offices in U.S.A. (ISSN No. 0002-7561)
Postmaster: Send address changes to American Banker, 1 State Street Plaza, New York, N.Y. 10004

For subscription orders and inquiries call:
Outside New York - (800) 221-1809
In New York - (212) 943-9589 Collect.

Wires: WU Telex 882385 Answer Back: AmerBank NYK. WUI 62594 AMERBANKER
Cable Address: AMERBANKER New York.
Telecopier: (212) 943-2222

LETTERS TO THE EDITOR

Leach Plan Favored for Shrinking Sick Thrifts

To the Editor:

Everybody who is anybody seems to be loading their muskets in preparation for Project Extermination, wherein possibly 500 or more bankrupt thrifts are to be lined up for the coup de grace, a solution that is gaining new boosters with the dawning of each day.

At first the battle line appeared to have primarily small-town independent bankers on one side and the hemorrhaging horde of sick and irresponsible thrifts on the other. Earlier on, the ones saying what needed to be said were the various spokespersons for independent bankers, both inside and outside the Beltway.

Steadily, the condition of more and more thrifts grew worse and worse. But, true to tradition, banking's elite refrained from saying what needed to be said while the problem continued to grow.

Some were no doubt waiting to see whether the introduction of new brass over at the Federal Home Loan Bank Board would introduce a degree of logic to the management principles of that industry. Those waiting for a turnaround as a result of M. Danny Wall's appointment were, for the most part, disillusioned.

Soon Wall's supporters dwindled and their ranks consisted of little more than a cadre of administration appointees plus his former boss, Utah's Sen. Jake Garn. At that point the ranks of vocal opponents began to swell. As the days went by, the subtle, carefully worded criticism was replaced by more hand-to-hand combat reported daily in the media.

Earlier this month Mark Reidy, chief executive officer for the National Council of Savings Institutions, called for the closing down of the walking dead — the bankrupt and near-bankrupt members of the thrift industry. His expressed concern had to do with the damage these insolvent thrifts were inflicting on the healthy and near-healthy thrifts.

Also calling for the shutting down of thrifts already on death row was the American Bankers Association. It came as little surprise to discover, in the ABA litany of remedies, authority for bank holding companies to purchase thrift institutions — with no mention of limiting the purchase to sick or dead thrifts. Quite typical of the public-spirited ABA.

Then came soon-to-be-private-citizen Bill Proxmire, senator from Wisconsin and chairman of the Senate Banking Committee. Prox's proposal doesn't have a whole lot of blind followers at this point.

It calls for a $20 billion tap on the U.S. treasury and $30 billion tap on the thrifts whose names have not yet shown up on the roster of the sick, lame, and lazy. Many fear that a $30 billion tap on the remaining thrifts would simply produce a brand-new crop of cripples.

Congress isn't exactly drooling at the chance to come up with $20 billion either. But Prox can afford to come up with something as loose as that. After all, he doesn't have to get up in the morning.

Jake Garn, Proxmire's cohort in the let's-sink-Glass-Steagall campaign, takes strong exception to Proxmire's bid to dole out poison pills for the soon-to-die thrifts. Claiming that earlier administration attempts to thwart the thrift crisis were sidetracked by Proxmire, Garn claims Proxmire's public attack at this point will make it more difficult to attract buyers for troubled thrifts.

It's unlikely that the Proxmire proposal will add substantially to the difficulty in finding thrift buyers. Most would see the negative news as old news by now. Would-be buyers are inclined to base their buy or no-buy decision on how sweet a deal they can negotiate with the FSLIC.

Without a doubt, the thrifts that survive this crisis, — and it is a crisis — will feel pressure annually of having to cough up bigger and bigger deposit insurance premiums. But the increases will come in steps, making it possible to pass the increases along to the borrowing public. The public will pay through increased borrowing costs and by paying for whatever form of bailout is ultimately given the combination to the vault at the U.S. Treasury.

An alternative must be found to this threat to the U.S. economy. Today we are told the deficit is mounting at the rate of some $10 billion per annum.

Those who would turn to the Treasury for a solution are up against Gramm-Rudman. And both presidential candidates are committed not to raise taxes if elected.

The only alternative would mean going to one of the big budget items for an offsetting cut. Defense, for instance, and that is highly unlikely.

Placing an excise tax on junk bonds holds appeal for many, for a couple of obvious reasons. But the barons of the junk bond industry are not apt to let that happen if they can avoid it — and they probably can.

Adding operating and/or insurance-premium fees paid by the thrift industry has its limitations, because the burden could become an industry backbreaker. Adding commercial banks to this proposal for a broader fee base will surely be considered. But, in fairness, at that point all lenders — including the likes of GMAC, Ford Motor Credit, Household Finance, Beneficial Finance, Commercial Credit, etc. — should be brought into the corral to play by the same rules.

Putting off the decision until after the 1988 elections is bad business. Anything that takes longer is even worse. Action is called for now.

At this point it would be difficult to point to a better, more feasible remedy than that proposed by Iowa Congressman Jim Leach, who serves on the House Committee on Banking, Finance, and Urban Affairs. The Leach proposal brings to a halt the common practice of the sinking thrifts — outbidding the competing financial institutions in the battle for deposits and underpricing the competing financial institutions on loans. Leach would set shrinkage levels to be met by thrifts with various degrees of capital impairment.

There is no better place to start charting a corrective course than with the Leach proposal.

Norbert McCrady
Retired Executive Director
Independent Bankers of Minnesota

Something to Say?

Please direct any comments you may have to the editor, William Zimmerman, American Banker, One State Street Plaza, New York 10004. Letters may be edited for reasons of space and clarity.

AN AMERICAN BANKER SURVEY

Merger Boosts Transamerica Unit to No. 8 Among Finance Firms

▸ Continued from Page 2

house Credit ranked 13th, with $1.1 billion. Westinghouse Credit also reported $5.1 billion in net commercial and lease receivables on Dec. 31.

Earlier last month, Landmark Financial Services Inc., Silver Spring, Md., a consumer finance company that ranked 88th in capital funds with $32 million on Dec. 31, was purchased by MNC Financial Inc., Baltimore, from Signet Banking Corp., Richmond, Va.

In June, Irving Bank Corp., New York, announced that its principal subsidiary, Irving Trust Co., would buy substantially all the assets of Slavenburg Corp., New York. Slavenburg, a factoring firm that had $10 million in capital funds and $147 million in assets at yearend 1986, is a subsidiary of Credit Lyonnais Bank Nederland, Rotterdam, the Dutch affiliate of $168.7 billion-asset Credit Lyonnais, Paris, the world's 16th largest bank. Slavenburg did not participate in this year's survey.

In May, Manufacturers Hanover Corp., New York, sold Manufacturers Hanover Consumer Services Group Inc., Huntingdon Valley, Pa., to CrediThrift Financial Inc. for $685 million cash. CrediThrift, Evansville, Ind., is a subsidiary of American General Corp., a Houston-based insurance firm. At yearend 1987, Manufacturers Hanover Consumer Services ranked 10th in capital funds, with $1.5 billion; CrediThrift ranked 24th, with $643 million.

The financing arms of the nation's largest automobile manufacturers — General Motors Corp., Chrysler Corp., and Ford Motor Co. — again rank as the nation's three largest finance companies.

In March, Mobil Corp., New York, announced it had sold its Montgomery Ward Credit Corp. subsidiary to a group of investors led by Montgomery Ward senior management, with fourth-ranked General Electric Capital Corp., Stamford, Conn., a substantial investor. Montgomery Ward Credit, Wilmington, Del., is the nation's 20th largest finance company, with $766 million in capital funds on Dec. 31.

In January, Bankers Leasing and Financial Corp., San Mateo, Calif., which ranked 52d in capital funds with $110.5 million on Dec. 31, 1986, was acquired by Citicorp, New York. The firm did not participate in this year's survey.

At yearend 1987, Citizens and Southern Corp., Atlanta, acquired Chemical Business Credit, Chemical Bank's factoring division, for about

Please see SURVEY: Page 15▸

NCR Financial Tower System 2.™ The first and only second-generation branch automation system based on industry-standard, open architecture.

But no second-generation open platform would be complete without second-generation workstations.

We offer several. In fact, no one offers more workstation configuration options.

Our Financial Workstations are designed specifically for the financial industry. With exactly the functionality you need for tellers, customer service personnel, and branch management.

They offer industry-standard compatibility in a package that's far smaller and more cost-effective than a standard PC. So you can run standard PC software without sacrificing your valuable workspace.

Our goal in designing these workstations was to provide maximum flexibility by allowing you to configure your workstations to your needs. While allowing for change when it comes. As you know it will.

Choose from a range of industry-standard processors. As little or as much memory as you need. And a wide selection of monochrome or color monitors, printers, and keyboards.

The compact processor unit is designed to fit in a number of convenient locations. On the desk or under it. Wherever it's out of the way.

The result is more power where you need it, in less space for less money. And since they're based on industry-standard processors, these workstations are designed to protect your investment as technology advances.

The workstations are part of a fully-integrated, customer-proven system. Our extensive experience with the financial industry and with branch automation systems lets us offer you a complete solution and complete flexibility, not just technology originally designed for some other task.

And that approach could contribute a lot to the success of your branch automation program.

For complete information on the NCR Financial Tower System 2, phone 1-800-CALL NCR.

NCR

THE NCR FINANCIAL TOWER SYSTEM 2.
A FOUNDATION FINANCIAL INSTITUTIONS CAN BUILD ON.

California to Vote On Insurance Entry

▸ Continued from Page 3

ferred to buy insurance through banks, brokerage firms, or retail stores, according to the Kehrer report.

Indeed, recent polls conducted in California show voters strongly prefer Prop. 100 to Prop. 104. The nonpartisan California Field Poll taken last month showed that as many as 56% of voters approve Prop. 100, while as many as 31% support Prop. 104.

When voters were informed that the insurance industry sponsored the initiative, some 50% said they opposed Prop. 104, and 28% supported it.

Earlier attempts by California bankers to get insurance powers through the Legislature failed. If Prop. 100 passes, it would mark the first time banks have received insurance powers through the initiative process. Initiatives — popular in California — allow a state law or constitutional amendment to be approved directly by the voters.

To help ensure passage of the initiative, the California Bankers Association formed a political action committee that provides donations to the Insurance Consumer Action Network, a consumer interest group that is sponsoring the initiative.

The bankers association also has sent a barrage of information to its members seeking support for Prop. 100. Some member banks are expected to send leaflets on the measure to customers.

Included in the list of association members supporting the initiative are BankAmerica Corp., California First Bank, First Interstate Bank, California First Bank, Security Pacific National Bank, and Union Bank.

Wells Fargo Bank opposes Prop. 100. A bank spokesman said the initiative would impose "stringent" price restrictions on insurance products.

In addition to expanded bank powers, the initiative would reduce auto insurance rates for good drivers by 20% and establish state regulation for future increases. Prop. 104 would establish no-fault insurance and allow auto accident victims to file lawsuits only under certain circumstances.

Also on the California ballot is Prop. 103, which would allow state-chartered banks to sell and underwrite insurance. Bankers oppose the measure, because it would lower auto rates by 20% for one year. Future increases would be approved by an elected insurance commissioner.

The California Bankers Association spokesman called the measure, which is backed by consumer advocate Ralph Nader, "too draconian."

According to the Field poll, Prop. 103 enjoys enthusiastic voter support. Some 62% said they supported the measure, and the rate rose to 74% once they were informed of Mr. Nader's support. ■

AN AMERICAN BANKER SURVEY

Top Finance Firms Saw Substantial Merger Activity in 1987-88

► Continued from Page 13

$200 million. As a result of that acquisition, Citizens & Southern Commercial Corp., Atlanta, Citizens and Southern's factoring unit, now ranks as the third largest factoring firm in the United States, with gross factoring receivables of $4.2 billion on Dec. 31.

In September 1987, 62d-ranked Concord Leasing Inc., a wholly owned subsidiary of Hongkong and Shanghai Banking Corp., acquired Ingersoll-Rand Financial Corp., Woodcliff Lake, N.J., from Ingersoll-Rand Co. Ingersoll-Rand Financial Corp. ranked 59th among finance companies in 1986, with $91 million in capital funds.

Seventh-ranked Associates Corporation of North America, New York, acquired Fruehauf Finance Co., Detroit, and Transway Finance Co., Savannah, Ga., in May 1987. In last year's survey, Fruehauf ranked 38th, with $241.6 million in capital funds at yearend, and Transway ranked 67th, with $60.8 million.

In February 1987, 55th-ranked New England Merchants Leasing Corp., Boston, acquired McCullagh Leasing Inc., Roseville, Ill., and in March 1987, New England Merchants acquired McCullagh Leasing Ltd., Mississauga, Ontario.

Other Survey Findings

- The financing arms of the nation's largest automobile manufacturers — General Motors Corp., Chrysler Corp., and Ford Motor Co. — again rank as the nation's three largest finance companies. Detroit-based General Motors Acceptance Corp. again tops the list, with $7.4 billion in capital funds on Dec. 31, 1987, up 2.4% from $7.2 billion on Dec. 31, 1986.

Chrysler Financial Corp., Troy, Mich., which in 1986 supplanted Ford Motor Credit Co. as the nation's second largest finance company, maintained its No. 2 ranking, with $4.6 billion in capital at yearend 1987, up 23% from $3.7 billion a year earlier. Ford Motor Credit, Dearborn, Mich., remains in third place, with $3.9 billion in capital, up 20% from $3.3 billion in 1986.

- In 1986, the *American Banker* expanded its survey to include finance companies primarily engaged in leasing. The largest leasing firm in the survey is fourth-ranked General Electric Capital, with $3.5 billion in capital funds and $16.7 billion in net industrial and equipment leasing receivables at yearend.
- Total capital funds at the top 100 finance companies totaled $53.2 billion on Dec. 31, 1987, up 9% from $48.8 billion the year before.
- Total capital funds for the top 100 companies comprised $42.2 billion in equity capital at yearend 1987, up 9.9% from the year before, and $11 billion in noncurrent subordinated debt, up 5.8% from the previous year.
- Thirty captive firms, with $26 billion in capital, and 70 independent or affiliated firms, with $27.2 billion in capital, constitute the top 100 companies.
- Among the affiliated firms, 29 are units of domestic commercial and savings banks, up from 25 in 1986. Three companies are subsidiaries of foreign banks, up from two in 1986.
- Fifteen of the top 100 companies are leasing firms. Those firms — 4 captive companies and 11 affiliated companies — had $6.4 billion in capital funds at yearend 1987.
- Four of the nation's top 100 finance companies changed names last year. The 18th-ranked J.C. Penney Funding Corp., Dallas, renamed itself from J.C. Penney Financial Corp.; 21st-ranked Security Pacific Financial Services Inc., San Diego, changed its name from Security Pacific Finance Corp.; 47th-ranked Advanta Corp., Horsham, Pa., had been named TSO Financial Corp.; and 97th-ranked Banc One Financial Services Inc., Marion, Ind., changed its title from American Fletcher Financial Services Inc. ■

At a Glance: Finance Companies

Gross receivables outstanding by type of credit, 1983-1987
(dollar amounts in billions)

Type of credit	1987	1986	1985	1984	1983
Consumer credit	$141.1 +4.8%	$134.7 +20.4%	$111.9 +24.5%	$89.9 +7.2%	$83.3
Loans secured by real estate	$39.5 +21.2%	$32.6 +16.4%	$28.0 +17.6%	$23.8 +16.1%	$20.5
Business credit	$207.6 +19.7%	$173.4 +10.1%	$157.5 +14.3%	$137.8 +21.5%	$113.4
Total finance company receivables outstanding	$388.2 +14.0%	$340.6 +14.5%	$297.4 +18.3%	$251.5 +15.7%	$217.3

Source of Data: Federal Reserve Board's *Bulletin*. **Consumer credit** includes loans to finance retail passenger cars, mobile homes, other consumer goods (apparel, furniture, household appliances, recreational vehicles, motorcycles, auto repair, home modernization, and general merchandise), and personal cash loans. **Loans secured by real estate** are mainly junior mortgages on residential properties. **Business credit** includes retail commercial vehicles (passenger car fleets and commercial land vehicles for which licenses are required), retail equipment, wholesale automotive, wholesale equipment, all other wholesale, automotive and equipment leasing, other short-term business credit (loans on commercial accounts receivable and factored commercial accounts receivable), and other intermediate-term business credit.

Strategic Dates

April 3, 1989

STANDARD FORMAT: Effective today, the Federal Reserve Board implements a standard message format for all Fed Wire funds transfers. The format concerns the processing of information in a message about the customer receiving funds in a transaction.

The first complete guide on obtaining and analyzing a corporation's financial information—quickly and effectively

Discovery Techniques: Obtaining & Analyzing Business Financial Data

By Martin Mellman, Steven Lilien and James M. Docherty

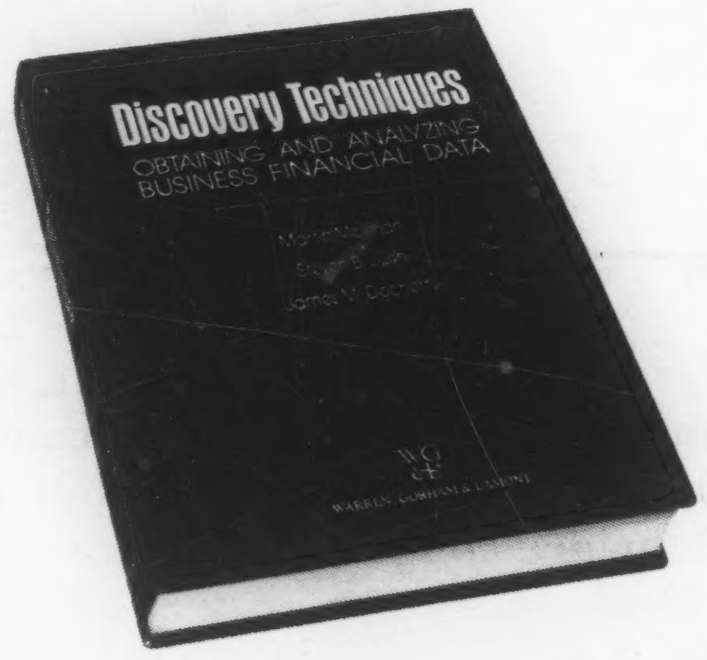
Saves you hours of valuable time as it streamlines the discovery process

When it comes to obtaining and using a corporation's financial information, the greatest time waster is determining what data you need – and where you can find it. But now you can avoid long "fishing expeditions" that tie up your valuable time and force you to sift through hundreds of irrelevant documents in the hope that something useful will turn up.

Written by a team of accounting and legal experts, **Discovery Techniques: Obtaining & Analyzing Business Financial Data** enables you to plan your discovery to accomplish specific results and produce precisely the information you need – quickly and efficiently.

A unique working tool...

Whether you're involved in breach of contract actions... anti-trust and unfair trade practice actions...government regulatory actions...tort claims...product liability cases ...or any other type of litigation that calls for the use of corporate financial data, this volume provides you with the help you need to pinpoint what information is pertinent to your case – and where to get it.



Designed as a practical working tool, it provides you with a detailed "roadmap" to the organization and financial reporting systems of corporations. **Discovery Techniques: Obtaining & Analyzing Business Financial Data** gives you a wide range of charts, checklists, and sample documents that lead you through the organization of corporate functions and tasks...what reporting systems look like and how they work...specific documents and data you need in specific practice situations – and how to get them.

WG&L **Warren, Gorham & Lamont**
The Professional's Publisher

FREE 30-DAY TRIAL EXAMINATION!

Warren, Gorham & Lamont, Inc.
210 South Street
Boston, MA 02111

Please send me **Discovery Techniques: Obtaining & Analyzing Business Financial Data** for my free trial examination. After 30 days, I will either return the volume at no cost to me, or honor your invoice for $96.00 plus postage and handling. I understand that my book will be kept continuously up-to-date through regular supplements sent on approval.

☐ Bill me
☐ **Save!** WG&L pays postage and handling on prepaid orders. Check enclosed payable to Warren, Gorham & Lamont, Inc. (CA, MA and NY residents please add applicable sales tax on prepaid orders.)

To place your order immediately, call toll-free: 1-800-922-0066

Name ☐ Mr. ☐ Ms. _____
(Please print)
Title _____
Firm _____
Address _____
City _____ State _____ Zip _____
Telephone (____) _____ ☐ Office ☐ Home

6812 AMBK 10/88 MK6803 DCFD 1

Top 100 Finance Companies in the U.S.

By Size of Capital Funds Dec. 31, 1987 or Nearest Fiscal Year-End (In Thousands of Dollars)

Rank		Total Capital Funds 12/31/87	12/31/86	Rank 12/86	Gain in Rank	Equity & Capital 12/31/87	Receivables Net 12/31/87	Total Assets 12/31/87	Net Income 1987	Deferred Income 12/31/87	Receivables Acquired 1987	Bank Credit 12/31/87
1	General Motors Acceptance Corp., Detroit	7,381,500	7,207,800	1		6,975,200	93,885,900	98,527,000	1,453,200	9,564,200	99,906,800	17,136,000
2	Chrysler Financial Corp., Troy, Mich.	4,583,800	3,722,400	2		2,492,400	23,707,700	25,277,000	225,800	3,372,600	39,058,400	7,434,100
3	Ford Motor Credit Co., Dearborn, Mich.	3,937,600	3,282,400	3		3,647,100	48,788,200	51,241,300	678,800	6,226,300	73,570,900	11,012,000
4	General Electric Capital Corp., Stamford, Conn. (l)	3,493,553	2,672,149	5	+ 1	3,361,584	27,906,826	36,643,740	470,182	4,063,049	25,641,748	9,204,000
5	Sears Roebuck Acceptance Corp., Wilmington, Del.	2,382,520	2,269,002	6		2,382,520	11,657,189	11,683,129	113,372	315,770	3,147,406	6,416,000
6	Household Financial Services, Prospect Heights, Ill.	2,051,000	1,559,100	9	+ 3	1,105,700	8,982,200	11,771,700	174,600	264,400	603,200	2,159,600
7	Associates Corp. of No. America, Dallas(b)	1,856,359	1,583,884	8		1,328,580	9,144,100	10,571,612	236,063	1,298,387	10,366,169	2,464,125
8	Transamerica Financial Corp., Los Angeles	1,630,994	624,572	23	+15	1,114,424	5,949,567	6,897,731	83,548	432,240	2,955,491	2,626,000
9	CIT Group Holdings, Inc., Livingston, N.J. (g)	1,581,076	1,660,300	7		1,252,034	8,912,207	9,435,018	40,071	1,520,119	16,811,553	1,738,350
10	Manuf Han. Cons Ser Gp, Huntingdon Valley, Pa. (g)	1,484,809	1,504,766	10		317,169	2,784,360	2,926,682	55,274	323,177	N.A.	N.A.
11	ITT Financial Corp., St. Louis, Mo.	1,105,561	1,354,003	11		757,667	6,274,596	7,539,878	101,388	777,955	91,816	2,671,736
12	Heller Financial, Inc., Chicago (m)	1,096,121	952,891	17	+ 5	730,251	4,623,654	4,786,033	25,137	161,748	0	2,785,000
13	Westinghouse Credit Corp., Pittsburgh	1,093,222	986,908	14		758,539	5,269,046	6,254,160	115,203	355,006	4,076,484	2,205,800
14	American Express Credit Corp., Wilmington, Del.	1,001,000	971,000	16		903,000	7,408,000	7,907,000	88,000	76,000	61,000,000	1,800,000
15	Beneficial Corp., Wilmington, Del.	935,300	858,100	19	+ 4	885,300	5,824,600	6,929,200	142,200	331,900	3,423	2,215,900
16	Barclays American Corp., Charlotte, N.C. (m)	896,515	910,200	18		557,715	3,941,396	4,330,024	27,673	484,637	10,324,000	1,740,500
17	Avco Financial Services, Inc., Irvine, Calif.	852,001	1,322,299	12		553,530	3,074,227	3,883,009	70,421	367,636	91,097	1,038,012
18	J.C. Penney Funding Corp., Dallas (b,c)	776,000	778,000	20		762,000	1,795,000	1,855,000	32,008	N.A.	N.A.	745,000
19	Commercial Credit Co., Baltimore	766,200	982,500	15		646,400	2,850,200	4,306,400	101,500	0	670,000	940,000
20	Montgomery Ward Credit Corp., Wilmington, Del.	766,000	772,000	21		701,000	2,008,000	2,683,000	41,000	669,000	N.A.	1,124,000
21	Security Pacific Financial Services, Inc., San Diego (g)	743,000	558,000	26	+ 5	743,000	5,618,000	6,044,000	75,000	0	440,000	0
22	IBM Credit Corp., Stamford (l)	690,026	669,267R	21r		690,026	5,914,219	6,449,027	85,759	756,843	2,414,755	600,000
23	John Deere Credit Co., Reno, Nev.(b)	679,379	667,217	22		604,379	2,501,791	2,876,582	45,862	484,363	1,534,476	2,774
24	Credithrift Financial Corp., Evansville, Ind.	643,014	618,485	24		451,769	1,989,681	2,771,690	67,255	0	1,610,104	2,439,500
25	Norwest Financial Services, Inc., Des Moines, Iowa (g)	572,244	509,191	27	+ 2	402,601	2,255,110	2,710,037	78,078	513,571	2,491,223	344,500
26	Xerox Credit Corp., Stamford, Conn. (l)	513,100	449,800	29	+3	513,100	2,567,000	3,307,900	84,900	648,900	1,913,800	150,000
27	Philip Morris Credit Corp., New York (l)	489,600	417,300	31	+ 4	489,600	2,207,600	2,743,500	72,300	632,400	684,700	646,000
28	Navistar Financial Corp., Schaumburg, Ill. (b)	467,659	437,759	30	+ 2	377,524	1,477,672	1,662,985	29,272	130,882	2,436,800	1,270,000
29	Macy Credit Corp., New York(b)	455,247	262,011	36	+ 7	300,943	1,214,675	1,265,577	31,998	56,124	3,640,866	850,000
30	Signal Capital Corp., Hampton, N.H.	397,274	372,020	32†	+2	397,274	1,124,284	1,679,454	25,254	0	694,520	1,010
31	Commercial Alliance Corp., New York (g)	373,618	347,826	33	+ 2	213,618	1,340,902	1,481,052	N.A.	222,614	966,400	1,750,000
32	J.I. Case Credit Corp., Racine, Wis.	360,300	369,224	32		240,200	1,309,100	1,413,900	35,400	8,800	1,681,300	600,000
33	Meritor Credit Corp., Norwalk, Conn. (g)	352,587	325,868	34	+ 1	352,587	2,136,609	2,181,238	26,697	283,980	1,071,412	0
34	McDonnell Douglas Finance Corp., Long Beach, Calif. (l)	345,000	284,583	35	+ 1	213,000	1,738,500	2,224,800	42,600	696,500	861,300	300,000
35	Pacificorp Financial Services, Inc., Portland, Ore.	323,544	157,196	46	+11	262,344	1,138,206	1,432,249	19,155	163,827	603,358	360,000
36	Toyota Motor Credit Corp., Torrance, Calif.(b)	316,265	189,138	43	+ 7	316,265	2,083,504	2,149,031	12,127	450,400	2,852,470	775,000
37	Nissan Motor Acceptance Corp., Torrance, Calif.(b)	314,705	202,919	41	+ 4	314,705	1,066,041	1,527,608	14,904	4,813	622,509	880,000
38	Fleet Financial Corp., Providence, R.I. (g)	294,261	243,253	37		184,061	1,288,927	1,363,906	34,933	172,101	976,621	25,000
39	Pitney Bowes Credit Corp., Norwalk, Conn.	292,774	.....	...		251,862	1,729,737	1,750,588	56,425	614,206	1,140,831	710,000
40	Mobil Oil Credit Corp., Fairfax, Va.	227,659	227,638	39		227,659	1,075,941	1,098,755	17,021	13,462	N.A.	N.A.
41	AmSave Credit Corp., New York	226,091	.....	...		12,621	223,705	228,115	2,829	5,307	353,890	250,000
42	Greyhound Financial Corp., Phoenix, Ariz.	225,722	216,295R	41r		160,803	1,415,307	1,462,920	18,209	491,388	223,361	425,000
43	Whirlpool Acceptance Corp., Benton Harbor, Mich.	196,697	184,222	44	+ 1	151,697	843,995	914,774	13,475	5,466	1,997,396	360,000
44	May Department Stores Credit Co., Reno, Nev. (b,c)	188,374	171,216	45	+ 1	188,374	543,440	546,271	17,158	18,254	1,632,442	0
45	Equitable Life Leasing Corp., San Diego, Calif. (b,c,l)	183,737	155,924	47	+2	183,737	N.A.	1,493,159	25,604	N.A.	N.A.	N.A.
46	Mack Financial Corp., Allentown, Pa.	176,412	221,242	40		109,362	603,940	641,841	15,508	0	1,013,750	350,000
47	Advanta Corp., Horsham, Pa.	159,000	143,867	48	+ 1	58,000	991,000	1,285,000	3,819	N.A.	N.A.	100,000
48	Paccar Financial Corp., Bellevue, Wash.	148,700	134,787	49	+1	148,700	993,100	1,044,294	13,932	0	1,397,325	210,000
49	Foothill Group, Inc., Los Angeles	141,474	112,014	51	+ 2	47,427	409,630	551,643	7,772	0	236,418	245,000
50	USA Financial Services, Inc., Peoria, Ill. (b,c,g)	140,236	107,208	54	+ 4	87,146	371,734	429,256	12,387	94,031	113,555	167,000
51	U S West Financial Services, Inc., Englewood, Colo. (l)	127,715	95,582	58	+ 7	127,715	1,256,156	1,365,800	18,020	715,074	1,165,607	250,000
52	Congress Financial Corp., New York (g)	125,839	114,500	50		64,403	885,403	964,644	N.A.	N.A.	N.A.	N.A.
53	Chemical Financial Services Corp., Cleveland (g)	123,412	89,685	60	+ 7	123,412	1,463,308	1,527,095	33,777	472,493	758,218	0
54	Glenfed Financial Corp., Dallas (b,c,g)	117,600	104,136	55	+ 1	102,600	466,463	486,980	7,131	0	155,000	387,000
55	First Manufactured Housing Cred Cp, Glen Burnie, Md (g)	116,062	52,049	71	+16	21,062	204,790	207,511	3,026	486	142,531	75,213
56	New England Merchants Leasing Corp., Boston (g)	108,528	50,802	72	+16	108,528	1,488,851	1,561,381	20,141	319,544	965,073	1,132,219
57	Honeywell Finance, Inc., Minneapolis	101,635	99,756	56		101,635	182,322	182,559	1,879	0	N.A.	650,000
58	Cessna Finance Corp., Wichita, Kan.	99,606	81,990	62	+ 4	99,606	315,736	327,772	5,505	0	235,831	5,000
59	Fidelity Acceptance Corp., Minneapolis (b,g)	91,358	97,481	57		79,358	185,699	208,400	9,537	33,254	169,363	72,500
60	MNC Affiliates Group, Baltimore (g)	91,059	.....	...	.	91,059	958,085	1,027,952	12,464	184,469	466,477	0
61	Kentucky Finance Co., Inc., Lexington	89,018	71,900	64	+ 3	51,808	212,115	226,296	12,724	0	7,407	65,500
62	Concord Leasing, Inc., Norwalk, Conn. (m)	85,976	90,704	59		60,976	968,191	997,647	1,781	124,305	N.A.	654,000
63	Union Oil Credit Corp., Los Angeles	85,100	193,400	42		85,100	186,000	186,400	1,800	0	7,100	0
64	Signal Finance Corp., Pittsburgh (g)	81,674	80,151	63		20,562	295,489	287,161	3,063	28,141	173,761	6,000
65	ITT Credit Corp., Uniondale, N.Y.	79,842	109,776	53		79,842	467,947	469,209	9,520	1,226	33,668	345,000
66	Unisys Finance Corp., Detroit (l)	73,676	62,759	66		73,676	488,828	503,639	10,917	71,095	527,000	200,000
67	Oxford Finance Companies, Inc., Philadelphia	72,166	45,474	75	+ 8	37,166	293,108	314,085	5,875	317,861	370,000	184,500
68	Century Acceptance Corp., Kansas City, Mo.	62,534	68,203	65		25,259	91,977	112,119	2,905	19,891	12,694	36,000
69	Government Employees Financial Corp., Denver	57,811	60,488	68		47,284	182,984	222,570	1,376	7,295	106,797	22,000
70	Mellon Financial Services Corp., Oak Brook, Ill. (g)	56,002	59,921	70		56,002	543,388	576,920	28	34,746	228,750	0
71	Amoco Credit Corp., Chicago	54,434	60,203	69		54,434	318,013	359,491	24,231	0	1,139,851	285,000
72	Commonwealth Financial Corp., Walnut Creek, Calif.	50,320	30,833	89	+17	8,820	216,860	235,893	110	0	1,250,000	260,000
73	Rosenthal & Rosenthal, Inc., New York	46,007	42,189	78	+ 5	24,057	237,109	249,570	N.A.	N.A.	1,240,080	115,500
74	Allied Finance Co., Dallas (b)	45,102	44,949	76	+ 2	37,502	91,001	175,682	4,323	22,201	128,127	70,400
75	AgriStor Credit Corp., Elm Grove, Wis. (l)	43,540	49,865	73		43,525	161,668	237,241	39,430	37,658	7,609	136,000
76	U.S. Bancorp Leasing & Financial, Portland, Ore. (g,l)	42,079	44,467	77	+ 1	42,079	340,009	341,929	3,673	133,610	0	0
77	TranSouth Financial Corp., Florence, S.C. (g)	41,817	37,769	81	+ 4	41,817	388,627	394,142	4,048	48,618	356,069	0
78	Crossland Credit Corp., Brooklyn, New York (b,g,l)	41,064	33,645	82	+ 4	41,064	83,148	86,721	7,390	17,959	44,992	0
79	First Illinois Finance Co., Northbrook (g)	41,009	32,595	87	+ 8	20,009	186,349	192,251	8,039	35,237	8,221	100,000
80	Deutz-Allis Credit Corp., West Allis, Wis.	40,599	89,523	61		40,599	134,566	203,201	1,694	27,261	513,456	0
81	John Hancock Leasing Corp., Boston	38,910	28,135	90	+ 9	36,010	222,436	246,191	7,161	51,972	93,910	0
82	Capitol Finance Group, Inc., Charlotte, N.C. (g)	38,767	39,994	80		18,817	127,078	139,095	2,488	5,015	150,642	0
83	Cummins Financial Inc., Arlington, Tex.	36,989	.....	...		36,989	211,534	217,531	2,155	52	N.A.	201,000
84	Personal Finance Co, Olympia Fields, Ill.(b)	35,850	25,209	97	+13	15,850	81,038	86,832	1,641	18,004	97,867	3,500
85	Horrigan American, Inc., Reading, Pa. (l)	35,771	32,847	85		19,454	122,335	132,363	2,712	25,405	98,912	93,500
86	First Family Financial Services, Atlanta (g)	35,065	27,364	93	+ 7	35,043	246,273	253,194	7,445	77,090	308,664	100
87	Provident Financial Corp., Columbia, S.C. (g)	34,848	33,515	83		26,398	111,288	126,105	5,351	1,653	2,300	83,000
88	C&S Family Credit, Inc., Atlanta (g)	32,471	25,211	96	+ 8	32,471	195,508	196,425	7,260	0	111,280	0
89	Landmark Fin'l Services, Inc., Silver Spring, Md. (g)	32,053	27,997	91	+ 2	32,053	156,621	170,744	5,914	33,572	157,721	0
90	Genesco Financial Corp., Nashville, Tenn.(b)	31,438	32,567	88		31,438	28,023	40,643	421	0	N.A.	0
91	1st Franklin Financial Corp., Toccoa, Ga.	29,182	27,375	92	+ 1	12,567	42,109	56,777	2,639	8,929	61,424	15,100
92	FirstMark Financial Corp, Indianapolis	28,740	32,691	86		27,428	153,669	297,467	3,931	N.A.	N.A.	N.A.
93	Eaton Credit Corp., Cleveland (l)	24,877	22,910	98	+ 5	24,877	118,029	122,101	1,967	13,230	149,387	100,000
94	Dresser Finance Corp., Franklin Park, Ill.	24,589	.....	...		24,589	134,998	153,343	12,382	8,750	362,331	140,000
95	Security Finance Corp., Spartanburg, S.C.	22,755	17,965	104	+ 9	21,125	49,772	52,909	4,653	12,210	190,062	18,500
96	Community Credit Co., Edina, Minn.	22,127	22,127	99	+ 3	18,127	68,941	85,653	2,617	21,471	103,425	37,360
97	Banc One Financial Services, Inc., Marion, Ind. (g)	20,683	17,818	106	+ 9	20,683	138,749	144,535	4,500	21,316	128,200	N.A.
98	Pioneer Credit Co., Cleveland, Tenn. (b,c)	19,224	.....	...		13,761	18,127	23,611	414	4,280	N.A.	16,600
99	National City Credit Corp., Cleveland (g)	19,000	18,487	103	+ 4	19,000	147,000	180,000	500	0	0	135,000
100	First Hawaiian Creditcorp, Inc., Honolulu (g,l)	18,105	17,239	107	+ 7	17,963	170,460	185,245	1,785	799	85,488	0

Data Source: American Banker questionnaire sent to commercial and consumer finance companies and leasing companies. **Total Capital funds** consist of stockholders' equity and non-current subordinated debt. Non-current means that there is a remaining maturity of one year or more. Minority interest is excluded. **Equity capital** is the shareholders' equity portion of total capital. Stockholders' equity is the sum of capital plus surplus. **Receivables** include direct loans and paper purchased from manufacturers, wholesalers, and retailers. **Receivables Net** exclude unearned income and loan-loss reserves. **Net income** is income after taxes but before extraordinary items. **Deferred income**, or unearned discounts, is the sum of prepaid interest on loans outstanding. **Receivables acquired** are gross receivables acquired during the year. **Bank credit** is bank credit lines available plus in use. Please note that many bank-related finance companies report zero for bank credit lines because they are funded by their parent company. **(b)**— Year ending on date other than Dec. 31. **(c)**— Current year's figures are for a date different from preceding year. **(g)**— A subsidiary of a domestic commercial or saving bank organization. **(m)**— Foreign bank-related. **(R)**— Revised since publication on June 10, 1987. **(r)**— Rank firm would have had, if revised data had been used. **(†)**— Rank firm would have had, if it had been included in survey. **( )**— Indicates a loss. **N.A.**— Not available.

Compiled by American Banker, Copyright 1988

Bank-Related Finance Companies

With capital greater than $10 million (figures in thousands)

Rank 12/87		Total Capital Funds 12/31/87	12/31/86	Rank 12/86	Gain in Rank	Parent
	Domestic Commercial and Savings Bank-Related Companies					
9	CIT Group Holdings, Inc., Livingston, N.J.	1,581,076	1,660,300	7		Manufacturers Hanover Corp., New York
10	Manuf Hanover Cons. Serv Gp, Inc, Huntingdon Valley, Pa.[1]	1,484,809	1,504,766	10		Manufacturers Hanover Corp., New York
21	Security Pacific Financial Services, Inc., San Diego	743,000	558,000	26	+ 5	Security Pacific Corp., Los Angeles
25	Norwest Financial Services, Inc., Des Moines, Iowa	572,244	509,191	27	+ 2	Norwest Corp., Minneapolis
31	Commercial Alliance Corp., New York	373,618	347,826	33	+ 2	First Interstate Bancorp, Los Angeles
33	Meritor Credit Corp., Norwalk, Conn.	352,587	325,868	34	+ 1	Meritor Financial Group, Philadelphia
38	Fleet Financial Corp., Providence, R.I.	294,261	243,253	37		Fleet/Norstar Financial Group, Providence, R.I.
50	USA Financial Services, Inc., Peoria, Ill. (b,c)	140,236	107,208	54	+ 4	United Savings of America, Chicago
52	Congress Financial Corp., New York	125,839	114,500	50		CoreStates Financial Corp., Philadelphia
53	Chemical Financial Services Corp., Cleveland	123,412	89,685	60	+ 7	Chemical Banking Corp., New York
54	Glenfed Financial Corp., Dallas (b,c)	117,600	104,136	55	+ 1	Glendale Federal Savings & Loan Assn., Calif.
55	First Manufactured Housing Cred Cp., Glen Burnie, Md.	116,062	52,049	71	+16	First Maryland Bancorp., Baltimore
56	New England Merchants Leasing Corp., Boston	108,528	50,802	72	+16	Bank of New England, Boston
59	Fidelity Acceptance Corp., Minneapolis (b)	91,358	97,481	57		Society for Savings, Hartford, Conn.
60	MNC Affiliates Group, Baltimore	91,059	.....	...		MNC Financial, Inc., Baltimore
64	Signal Finance Corp., Pittsburgh	81,674	80,151	63		CoreStates Financial Corp., Philadelphia
70	Mellon Financial Services Corp., Oak Brook, Ill.	56,002	59,921	70		Mellon Bank Corp., Pittsburgh
76	U.S. Bancorp Leasing & Financial, Portland, Ore.	42,079	44,467	77	+ 1	U.S. Bancorp., Portland
77	TranSouth Financial Corp., Florence, S.C.	41,817	37,769	81	+ 4	First Nationwide Bank, FSB, San Francisco
78	Crossland Credit Corp., Brooklyn, New York	41,064	33,645	82	+4	Crossland Savings FSB, Brooklyn, New York
79	First Illinois Finance Co., Northbrook	41,009	32,595	87	+8	First Illinois Corp., Evanston
82	Capitol Finance Group, Inc., Charlotte, N.C.	38,767	39,994	80		First Union Corp., Charlotte, N.C.
86	First Family Financial Services, Atlanta	35,065	27,364	93	+ 7	Georgia Federal Bank FSB, Atlanta
87	Provident Financial Corp., Columbia, S.C.	34,848	33,515	83		South Carolina National Corp., Columbia
88	C&S Family Credit, Inc., Atlanta	32,471	25,211	96	+ 8	Citizens & Southern Corp., Atlanta
89	Landmark Fin'l Services, Inc., Silver Spring, Md.	32,053	27,997	91	+ 2	Signet Banking Corp., Richmond
97	Banc One Financial Services, Inc., Marion, Ind.	20,683	17,818	106	+ 9	Banc One Corp., Columbus, Ohio
99	National City Credit Corp., Cleveland	19,000	18,487	103	+ 4	National City Corp., Cleveland
100	First Hawaiian Creditcorp, Inc., Honolulu	18,105	17,239	107	+ 7	First Hawaiian, Inc., Honolulu
103	NBD Business Finance, Inc., Detroit	12,503	.....	...		NBD Bancorp, Inc., Detroit
105	Coastfed Business Credit Corp., Los Angeles	11,825	.....	...		Coast Savings & Loan Assn., Los Angeles
	Foreign Bank-Related Companies					
12	Heller Financial, Inc., Chicago	1,096,121	952,891	17	+ 5	Fuji Bank, Ltd., Tokyo
16	Barclays American Corp., Charlotte, N.C.	896,515	910,200	18		Barclays Bank Plc., London, U.K.
62	Concord Leasing, Inc., Norwalk, Conn.[2]	85,976	90,704	59		Hongkong & Shanghai Bank Corp., Hong Kong
102	Deutsche Credit Corp., Deerfield, Ill.	12,522	.....	...		Deutsche Bank, Frankfurt, Germany
107	Marine Midland Business Credit, Wilmington, Del.	11,363	.....	...		Marine Midland Banks, Inc., Buffalo, N.Y.[3]

(b)— Year ending on date other than Dec. 31. **(c)**— Current year's figures are for a date different from preceding year. **(1)**— **(2)**— In September 1987, Concord Leasing, a wholly owned subsidiary of Hongkong and Shanghai Banking Corp., acquired Ingersoll-Rand Financial Corp., Woodcliff Lake, N.J., from Ingersoll-Rand Inc. The 1986 data are for Ingersoll-Rand Financial Corp. **(3)**— Wholly owned subsidiary of Hongkong and Shanghai Banking Corp.

Compiled by American Banker, Copyright 1988.

Top Finance Companies in Net Income

50 highest earners during 1987 (dollar amounts in thousands)

Rank 12/87		Net Income 12/31/87	Net Income 12/31/86	% Chg.
1	General Motors Acceptance Corp., Detroit	1,453,200	1,185,100	22.62
2	Ford Motor Credit Co., Dearborn, Mich.	678,800	611,300	11.04
3	General Electric Capital Corp., Stamford, Conn. (l)	470,182	378,931	24.08
4	Associates Corp. of No. America, Dallas	236,063	213,595	10.52
5	Chrysler Financial Corp., Troy, Mich.	225,800	200,000	12.90
6	Household Financial Services, Prospect Heights, Ill.	174,600	141,100	23.74
7	Beneficial Corp., Wilmington, Del.	142,200	(171,600)	182.87
8	Westinghouse Credit Corp., Pittsburgh	115,203	106,244	8.43
9	Sears Roebuck Acceptance Corp., Wilmington, Del.	113,372	94,514	19.95
10	Commercial Credit Co., Baltimore	101,500	45,900	121.13
11	ITT Financial Corp., St. Louis, Mo.	101,388	151,923	-33.26
12	American Express Credit Corp., Wilmington, Del.	88,000	116,000	-24.14
13	IBM Credit Corp., Stamford (l)	85,759	118,118	-27.40
14	Xerox Credit Corp., Stamford, Conn. (l)	84,900	84,900	0.00
15	Transamerica Financial Corp., Los Angeles	83,548	97,085	-13.94
16	Norwest Fin'l Services, Inc., Des Moines, Iowa (g)	78,078	70,793	10.29
17	Security Pacific Fin'l Services, Inc., San Diego, Calif	75,000	58,000	29.31
18	Philip Morris Credit Corp., New York (l)	72,300	70,900	1.97
19	Avco Financial Services, Inc., Irvine, Calif.	70,421	121,606	-42.09
20	Credithrift Financial Corp., Evansville, Ind.	67,255	64,457	4.34
21	Pitney Bowes Credit Corp., Norwalk, Conn.	56,425	.....	.....
22	Manuf Han. Cons Serv Gp, Huntingdon Valley, Pa. (g	55,274	58,231	- 5.08
23	John Deere Credit Co., Reno, Nev.	45,862	50,966	-10.01
24	McDonnell Douglas Finance Corp., Long Beach, Calif. (l)	42,600	34,645	22.96
25	Montgomery Ward Credit Corp., Wilmington, Del.	41,000	43,000	- 4.65
26	CIT Group Holdings, Inc., Livingston, N.J. (g)	40,071	136,740	-70.70
27	AgriStor Credit Corp., Elm Grove, Wis. (l)	39,430	3,442	1045.55
28	J.I. Case Credit Corp., Racine, Wis.	35,400	32,008	10.60
29	Fleet Financial Corp., Providence, R.I. (g)	34,933	30,214	15.62
30	Chemical Financial Services Corp., Cleveland (g)	33,777	33,427	1.05
31	J.C. Penney Funding Corp., Dallas	32,008	30,000	6.69
32	Macy Credit Corp., New York	31,998	26,070	22.74
33	Navistar Financial Corp., Schaumburg, Ill.	29,272	27,104	8.00
34	Barclays American Corp., Charlotte, N.C. (m)	27,673	22,692	21.95
35	Meritor Credit Corp., Norwalk, Conn. (g)	26,697	18,477	44.49
36	Equitable Life Leasing Corp., San Diego, Calif. (l)	25,604	18,592	37.72
37	Signal Capital Corp., Hampton, N.H.	25,254	.....	.....
38	Heller Financial, Inc., Chicago (m)	25,137	39,097	-35.71
39	Amoco Credit Corp., Chicago	24,231	28,688	-15.54
40	New England Merchants Leasing Corp., Boston (g)	20,141	14,119	42.65
41	Pacificorp Financial Services, Inc., Portland, Ore.	19,155	3,183	501.79
42	Greyhound Financial Corp., Phoenix, Ariz.	18,209	18,076	0.74
43	U S West Fin'l Services, Inc., Englewood, Colo. (l)	18,020	11,502	56.67
44	May Department Stores Credit Co., Reno, Nev.	17,158	16,396	4.65
45	Mobil Oil Credit Corp., Fairfax, Va.	17,021	17,433	-2.36
46	Mack Financial Corp., Allentown, Pa.	15,508	18,111	-14.37
47	Nissan Motor Acceptance Corp., Torrance, Calif.	14,904	22,035	-32.36
48	Paccar Financial Corp., Bellevue, Wash.	13,932	10,816	28.81
49	Whirlpool Acceptance Corp., Benton Harbor, Mich.	13,475	14,049	- 4.09
50	Kentucky Finance Co., Inc., Lexington	12,724	8,637	47.32

Net income is income after taxes but before extraordinary items. **(g)**— A subsidiary of a domestic commercial or saving bank organization. **(l)**— A leasing company. **(m)**— Owned by a foreign banking organization. **( )**— Indicates a net loss for the year. **N.A.**— Not available.

Compiled by American Banker, Copyright 1988.

Top Finance Companies in Assets

50 largest firms at yearend 1987 (dollar amounts in thousands)

Rank 12/87		Total Assets 12/31/87	Total Assets 12/31/86	% Chg.
1	General Motors Acceptance Corp., Detroit	98,527,000	90,780,900	8.53
2	Ford Motor Credit Co., Dearborn, Mich.	51,241;300	39,902,000	28.42
3	General Electric Capital Corp., Stamford, Conn. (l)	36,643,740	27,969,931	31.01
4	Chrysler Financial Corp., Troy, Mich.	25,277,000	21,028,300	20.20
5	Household Financial Services, Prospect Heights, Ill.	11,771,700	10,431,500	12.85
6	Sears Roebuck Acceptance Corp., Wilmington, Del.	11,683,129	9,228,693	26.60
7	Associates Corp. of No. America, Dallas	10,571,612	9,076,917	16.47
8	CIT Group Holdings, Inc., Livingston, N.J. (g)	9,435,018	8,393,259	12.41
9	American Express Credit Corp., Wilmington, Del.	7,907,000	8,094,000	- 2.31
10	ITT Financial Corp., St. Louis, Mo.	7,539,878	6,743,429	11.81
11	Beneficial Corp., Wilmington, Del.	6,929,200	7,274,200	- 4.74
12	Transamerica Financial Corp., Los Angeles	6,897,731	2,419,779	185.06
13	IBM Credit Corp., Stamford (l)	6,449,027	5,715,330	12.84
14	Westinghouse Credit Corp., Pittsburgh	6,254,160	5,748,374	8.80
15	Security Pacific Fin'l Services, Inc., San Diego, Calif	6,044,000	4,822,000	25.34
16	Heller Financial, Inc., Chicago (m)	4,786,033	3,881,630	23.30
17	Barclays American Corp., Charlotte, N.C. (m)	4,330,024	4,147,990	4.39
18	Commercial Credit Co., Baltimore	4,306,400	4,863,800	-11.46
19	Avco Financial Services, Inc., Irvine, Calif.	3,883,009	6,120,832	-36.56
20	Xerox Credit Corp., Stamford, Conn. (l)	3,307,900	2,264,000	46.11
21	Manuf Hanover Cons. Serv Gp, Huntingdon Val., Pa. (g)	2,926,682	2,532,878	15.55
22	John Deere Credit Co., Reno, Nev.	2,876,582	3,005,425	- 4.29
23	Credithrift Financial Corp., Evansville, Ind.	2,771,690	3,118,949	-11.13
24	Philip Morris Credit Corp., New York (l)	2,743,500	2,124,400	29.14
25	Norwest Financial Services, Inc., Des Moines, Iowa (g)	2,710,037	2,466,889	9.86
26	Montgomery Ward Credit Corp., Wilmington, Del.	2,683,000	2,519,000	6.51
27	McDonnell Douglas Finance Corp., Long Beach, Calif. (l)	2,224,800	1,713,411	29.85
28	Meritor Credit Corp., Norwalk, Conn. (g)	2,181,238	1,827,166	19.38
29	Toyota Motor Credit Corp., Torrance, Calif.	2,149,031	987,330	117.66
30	J.C. Penney Funding Corp., Dallas	1,855,000	1,855,000	.....
31	Pitney Bowes Credit Corp., Norwalk, Conn.	1,750,588	.....	.....
32	Signal Capital Corp., Hampton, N.H.	1,679,454	.....	.....
33	Navistar Financial Corp., Schaumburg, Ill.	1,662,985	1,563,013	6.40
34	New England Merchants Leasing Corp., Boston (g)	1,561,381	854,217	82.79
35	Nissan Motor Acceptance Corp., Torrance, Calif.	1,527,608	1,121,334	36.23
36	Chemical Financial Services Corp., Cleveland (g)	1,527,095	1,270,874	20.16
37	Equitable Life Leasing Corp., San Diego, Calif. (l)	1,493,159	1,091,558	36.79
38	Commercial Alliance Corp., New York (g)	1,481,052	1,265,386	17.04
39	Greyhound Financial Corp., Phoenix, Ariz.	1,462,920	1,552,195	- 5.75
40	Pacificorp Financial Services, Inc., Portland, Ore.	1,432,249	635,979	125.20
41	J.I. Case Credit Corp., Racine, Wis.	1,413,900	1,631,293	-13.33
42	U S West Financial Services, Inc., Englewood, Colo. (l)	1,365,800	884,547	54.41
43	Fleet Financial Corp., Providence, R.I. (g)	1,363,906	1,062,979	28.31
44	Advanta Corp., Horsham, Pa.	1,285,000	959,532	33.92
45	Macy Credit Corp., New York	1,265,577	1,235,795	2.41
46	Mobil Oil Credit Corp., Fairfax, Va.	1,098,755	875,232	25.54
47	Paccar Financial Corp., Bellevue, Wash.	1,044,294	838,731	24.51
48	MNC Affiliates Group, Baltimore (g)	1,027,952	.....	.....
49	Concord Leasing, Inc., Norwalk, Conn. (m)	997,647	611,888	63.04
50	Tokai Credit Corp., Los Angeles (m)	981,115	.....	.....

(g)— A subsidiary of a domestic commercial or saving bank organization. **(l)**— A leasing company. **(m)**— Owned by a foreign banking organization.

Compiled by American Banker, Copyright 1988.

Largest Captive Finance Companies

Ranked by total capital funds as of Dec. 31, 1987 or nearest fiscal year-end
(dollar figures in thousands)

Rank 12/87		Capital Funds 12/31/87	Capital Funds 12/31/86	Rank 12/86	Gain in Rank
1	General Motors Acceptance Corp., Detroit	7,381,500	7,207,800	1	
2	Chrysler Financial Corp., Troy, Mich.	4,583,800	3,722,400	2	
3	Ford Motor Credit Co., Dearborn, Mich.	3,937,600	3,282,400	3	
4	Sears Roebuck Acceptance Corp., Wilmington, Del.	2,382,520	2,269,002	4	
5	American Express Credit Corp., Wilmington, Del.	1,001,000	971,000	5	
6	J.C. Penney Funding Corp., Dallas (b,c)	776,000	778,000	6	
7	Montgomery Ward Credit Corp., Wilmington, Del.	766,000	772,000	7	
8	IBM Credit Corp., Stamford (l)	690,026	669,267	8	
9	John Deere Credit Co., Reno, Nev.(b)	679,379	667,217	9	
10	Xerox Credit Corp., Stamford, Conn. (l)	513,100	449,800	10	
11	Navistar Financial Corp., Schaumburg, Ill. (b)	467,659	437,759	11	
12	Macy Credit Corp., New York(b)	455,247	262,011	13	+ 1
13	J.I. Case Credit Corp., Racine, Wis.	360,300	369,224	12	
14	Toyota Motor Credit Corp., Torrance, Calif.(b)	316,265	189,138	18	+ 4
15	Nissan Motor Acceptance Corp., Torrance, Calif.(b)	314,705	202,919	16	+1
16	Mobil Oil Credit Corp., Fairfax, Va.	227,659	227,638	14	
17	May Department Stores Credit Co., Reno, Nev. (b,c)	188,374	171,216	19	+ 2
18	Mack Financial Corp., Allentown, Pa.	176,412	221,242	15	
19	Paccar Financial Corp., Bellevue, Wash.	148,700	134,787	20	+ 1
20	Honeywell Finance, Inc., Minneapolis	101,635	99,756	22	+ 2
21	Cessna Finance Corp., Wichita, Kan.	99,606	81,990	24	+ 3
22	Union Oil Credit Corp., Los Angeles	85,100	193,400	17	
23	ITT Credit Corp., Uniondale, N.Y.	79,842	109,776	21	
24	Unisys Finance Corp., Detroit (l)	73,676	62,759	25	+ 1
25	Amoco Credit Corp., Chicago	54,434	60,203	26	+ 1
26	AgriStor Credit Corp., Elm Grove, Wis. (l)	43,540	49,865	27	+ 1
27	Deutz-Allis Credit Corp., West Allis, Wis.	40,599	89,523	23	
28	Cummins Financial Inc., Arlington, Tex.	36,989	.....	...	
29	Genesco Financial Corp., Nashville, Tenn.(b)	31,438	32,567	28	
30	Dresser Finance Corp., Franklin Park, Ill.	24,589	.....	...	
31	Kellogg Credit Corp, Uniondale, N.Y.	11,421	.....	...	

Captive finance companies are those whose main function consists of financing sales of their parent firm's product or services. **(b)—** Year ending on date other than Dec. 31. **(c)—** Current year's figures are for a date different from preceding year.

Compiled by American Banker, Copyright 1988.

Looking Back: The Top Finance Companies

Ranked by Capital Funds (thousands of dollars)

10 Years Ago: December 31, 1977

1	General Motors Acceptance Corp., New York	$3,162,743
2	Ford Motor Credit Co., Dearborn, Mich.	2,055,300
3	Household Finance Corp., Chicago	1,274,516
4	C.I.T. Financial Corp., New York	1,079,384
5	Sears Roebuck Acceptance Corp., Wilmington, Del.	1,011,731
6	Beneficial Corp., Wilmington, Del.	935,074
7	General Electric Credit Corp., New York	924,763
8	Chrysler Financial Corp., Troy, Mich.	854,596
9	Commercial Credit Co., Baltimore	838,026
10	Associates Corp. of North America, New York	614,101
11	Avco Financial Services Inc., Newport Beach, Cal.	609,008
12	Montgomary Ward Credit, Wilmington, Del.	581,695
13	International Harvester Credit Corp., Chicago	546,757
14	Walter E. Heller International Corp., Chicago	510,623
15	J.C. Penney Financial Corp., Wilmington, Del.	356,378

20 Years Ago: December 31, 1967

1	General Motors Acceptance Corp., New York	$1,117,891
2	C.I.T. Financial Corp., New York	828,132
3	Commercial Credit Co., Baltimore	605,902
4	Beneficial Finance Co., Wilmington, Del.	505,938
5	Household Finance Corp., Chicago	420,005
6	Associates Investment Co., South Bend, Ind.	368,076
7	Ford Motor Credit Co., Dearborn, Mich.	321,981
8	Sears Roebuck Acceptance Corp., Wilmington, Del.	265,601
9	General Electric Credit Corp., New York	245,176
10	Chrysler Financial Corp., Troy, Mich.	230,391
11	Transamerica Financial Corp., Los Angeles	184,339
12	General Acceptance Corp., Allentown, Pa.	178,832
13	Walter E. Heller & Co., Chicago	171,983
14	American Investment Co., St. Louis	139,645
15	Seaboard Finance Co., Los Angeles	137,357

30 Years Ago: December 31, 1957

1	General Motors Acceptance Corp., New York	$648,832
2	C.I.T. Financial Corp., New York	474,426
3	Commercial Credit Co., Baltimore	340,622
4	Associates Investment Co., South Bend, Ind.	218,322
5	Household Finance Corp., Chicago	161,491
6	Beneficial Finance Co., Wilmington, Del.	135,931
7	Pacific Finance Corp. of California, Los Angeles	100,236
8	General Electric Credit Corp., New York	90,358
9	American Investment Co. of Illinois, St. Louis, Mo.	83,706
10	Seaboard Finance Co., Los Angeles	80,918
11	Sears Roebuck Acceptance Corp., Wilmington, Del.	76,025
12	International Harvester Credit Corp., Chicago	69,053
13	Family Finance Corp., Wilmington, Del.	42,901
14	General Finance Corp., Evanston, Ill.	42,160
15	Walter E. Heller & Co., Chicago	41,166

Top Independent or Affiliated Finance Companies

Ranked by total capital funds as of Dec. 31, 1987 or nearest fiscal yearend
(dollar figures in thousands)

Rank 12/87		Capital Funds 12/31/87	Capital Funds 12/31/86	Rank 12/86	Gain in Rank
1	General Electric Capital Corp., Stamford, Conn. (l)	3,493,553	2,672,149	1	
2	Household Financial Services, Prospect Heights, Ill.	2,051,000	1,559,100	4	+ 2
3	Associates Corp. of No. America, Dallas (b)	1,856,359	1,583,884	3	
4	Transamerica Financial Corp., Los Angeles	1,630,994	624,572	13	+9
5	CIT Group Holdings, Inc., Livingston, N.J. (g)	1,581,076	1,660,300	2	
6	Manuf Han. Cons Ser Gp, Huntingdon Valley, Pa(g)	1,484,809	1,504,766	5	
7	ITT Financial Corp., St. Louis, Mo.	1,105,561	1,354,003	6	
8	Heller Financial, Inc., Chicago (m)	1,096,121	952,891	10	+ 2
9	Westinghouse Credit Corp., Pittsburgh	1,093,222	986,908	8	
10	Beneficial Corp., Wilmington, Del.	935,300	858,100	12	+ 2
11	Barclays American Corp., Charlotte, N.C. (m)	896,515	910,200	11	
12	Avco Financial Services, Inc., Irvine, Calif.	852,001	1,322,299	7	
13	Commercial Credit Co., Baltimore	766,200	982,500	9	
14	Security Pacific Fin'l Services, Inc., San Diego, Calif	743,000	558,000	15	+ 1
15	Credithrift Financial Corp., Evansville, Ind.	643,014	618,485	14	
16	Norwest Fin'l Services, Inc., Des Moines, Iowa (g)	572,244	509,191	16	
17	Philip Morris Credit Corp., New York (l)	489,600	417,300	17	
18	Signal Capital Corp., Hampton, N.H.	397,274	.....	...	
19	Commercial Alliance Corp., New York (g)	373,618	347,826	18	
20	Meritor Credit Corp., Norwalk, Conn. (g)	352,587	325,868	19	
21	McDonnell Douglas Finance Cp, Long Beach, Calif (l)	345,000	284,583	20	
22	Pacificorp Financial Services, Inc., Portland, Ore.	323,544	157,196	24	+ 2
23	Fleet Financial Corp., Providence, R.I. (g)	294,261	243,253	21	
24	Pitney Bowes Credit Corp., Norwalk, Conn.	292,774	.....	...	
25	AmSave Credit Corp., New York	226,091	.....	...	
26	Greyhound Financial Corp., Phoenix, Ariz.	225,722	216,295	22	
27	Whirlpool Acceptance Corp., Benton Harbor, Mich.	196,697	184,222	23	
28	Equitable Life Leasing Corp., San Diego, Calif. (b,c,l)	183,737	155,924	25	
29	Advanta Corp., Horsham, Pa.	159,000	143,867	26	
30	Foothill Group, Inc., Los Angeles	141,474	112,014	28	
31	USA Financial Services, Inc., Peoria, Ill. (b,c,g)	140,236	107,208	29	
32	U S West Fin'l Services, Inc., Englewood, Colo. (l)	127,715	95,582	32	
33	Congress Financial Corp., New York (g)	125,839	114,500	27	
34	Chemical Financial Services Corp., Cleveland (g)	123,412	89,685	34	
35	Glenfed Financial Corp., Dallas (b,c,g)	117,600	104,136	30	
36	First Manufactured Hous. Cred Cp, Glen Burnie, Md. (g)	116,062	52,049	40	+ 4
37	New England Merchants Leasing Corp., Boston (g)	108,528	50,802	41	+ 4
38	Fidelity Acceptance Corp., Minneapolis (b,g)	91,358	97,481	31	
39	MNC Affiliates Group, Baltimore (g)	91,059	.....	...	
40	Kentucky Finance Co., Inc., Lexington	89,018	71,900	36	
41	Concord Leasing, Inc., Norwalk, Conn. (m)	85,976	90,704	33	
42	Signal Finance Corp., Pittsburgh (g)	81,674	80,151	35	
43	Oxford Finance Companies, Inc., Philadelphia	72,166	45,474	42	
44	Century Acceptance Corp., Kansas City, Mo.	62,534	68,203	37	
45	Government Employees Financial Corp., Denver	57,811	60,488	38	
46	Mellon Financial Services Corp., Oak Brook, Ill. (g)	56,002	59,921	39	
47	Commonwealth Financial Corp., Walnut Creek, Calif.	50,320	30,833	53	+ 6
48	Rosenthal & Rosenthal, Inc., New York	46,007	42,189	45	
49	Allied Finance Co., Dallas (b)	45,102	44,949	43	
50	U.S. Bancorp Leasing & Financial, Portland, Ore. (g,l)	42,079	44,467	44	
51	TranSouth Financial Corp., Florence, S.C. (g)	41,817	37,769	47	
52	Crossland Credit Corp., Brooklyn, New York (b,g,l)	41,064	33,645	48	
53	First Illinois Finance Co., Northbrook (g)	41,009	32,595	52	
54	John Hancock Leasing Corp., Boston	38,910	28,135	54	
55	Capitol Finance Group, Inc., Charlotte, N.C. (g)	38,767	39,994	46	
56	Personal Finance Co, Olympia Fields, Ill.(b)	35,850	25,209	59	+ 3
57	Horrigan American, Inc., Reading, Pa. (l)	35,771	32,847	50	
58	First Family Financial Services, Atlanta (g)	35,065	27,364	57	
59	Provident Financial Corp., Columbia, S.C. (g)	34,848	33,515	49	
60	C&S Family Credit, Inc., Atlanta (g)	32,471	25,211	58	
61	Landmark Fin'l Services, Inc., Silver Spring, Md. (g)	32,053	27,997	55	
62	1st Franklin Financial Corp., Toccoa, Ga.	29,182	27,375	56	
63	FirstMark Financial Corp, Indianapolis	28,740	32,691	51	
64	Eaton Credit Corp., Cleveland (l)	24,877	22,910	60	
65	Security Finance Corp., Spartanburg, S.C.	22,755	17,965	63	
66	Community Credit Co., Edina, Minn.	22,127	22,127	61	
67	Banc One Financial Services, Inc., Marion, Ind. (g)	20,683	17,818	64	
68	Pioneer Credit Co., Cleveland, Tenn. (b,c)	19,224	.....	...	
69	National City Credit Corp., Cleveland (g)	19,000	18,487	62	
70	First Hawaiian Creditcorp, Inc., Honolulu (g,l)	18,105	17,239	65	
71	Tower Loan of Mississippi, Jackson	14,545	.....	...	
72	Deutsche Credit Corp., Deerfield, Ill. (m)	12,522	.....	...	
73	NBD Business Finance, Inc., Detroit (g)	12,503	.....	...	
74	United Finance Co., Portland, Ore. (b)	12,064	10,061	67	
75	Coastfed Business Credit Corp., Los Angeles (g)	11,825	.....	...	
76	Marine Midland Bus. Credit, Wilmington, Del. (g)	11,363	.....	...	
77	MNC American Corp., Aurora, Colo. (g)	8,994	.....	...	
78	Peoples Loan & Finance Corp., Marietta, Ga.	8,640	7,806	70	
79	Mechanics Finance Co., Jersey City, N.J.	8,224	8,028	68	
80	Signet Commercial Credit Corp., Richmond (g)	7,978	7,826	69	
81	Bancorp Finance of Hawaii, Inc., Honolulu (g)	7,559	6,827	72	
82	Gulfco Investment Group, Inc., Marksville, La.	7,052	6,819	73	
83	Public Finance Service, Inc., Bala Cynwyd, Pa. (l)	6,752	12,794	66	
84	Pioneer Credit Corp., Hartford, Conn. (g)	6,561	5,785	75	
85	Pioneer Financial Services, Inc., Kansas City, Mo. (b)	6,141	7,066	71	
86	AmSouth Financial Corp., Birmingham, Ala. (g)	5,772	5,005	76	
87	Tokai Credit Corp., Los Angeles (m)	5,407	.....	...	
88	Bank South Leasing, Inc., Atlanta (g,l)	5,281	.....	...	
89	MNC Consumer Discount Co., Coraopolis, Pa.	4,192	.....	...	
90	Finance Company of America, Baltimore	3,962	6,430	74	
91	Republic Finance, Inc., Baton Rouge, La.	3,844	.....	...	
92	Bank South Home Equity, Inc., Atlanta (g)	2,579	.....	...	
93	Zenith Financial Corp., Great Neck, N.Y.	1,515	1,681	77	

Independent companies are not owned by other companies. **Affiliated companies** are subsidiaries of other companies but are not captives. **(b)—** Year ending on date other than Dec. 31. **(c)—** Current year's figures are for a date different from preceding year. **(g)—** A subsidiary of a domestic commercial or saving bank organization. **(m)—** Owned by a foreign commercial banking organization. **N.A.—** Not available.

Summary Statistics: Top 100 Finance Companies

(Dollar amounts in billions)

	No. of Firms 1987	No. of Firms 1986	Total Capital Funds 1987	Total Capital Funds 1986	% Chg.	Capital and Surplus 1987	Capital and Surplus 1986	% Chg.	Subordinated Debt 1987	Subordinated Debt 1986	% Chg.
Top 100 firms	100	100	$53.2	$48.8	+9.0%	$42.2	$38.4	+9.9%	$11.0	$10.4	+5.8%
Captive firms[1]	30	36	26.0	24.4	+6.6%	22.5	20.7	+8.7%	3.5	3.7	-5.4%
Independent/affiliated firms[2]	70	64	27.2	24.4	+11.5%	19.7	17.7	+11.3%	7.5	6.7	+11.9%
Domestic bank-related firms[3]	29	25	6.8	6.5	+4.6%	4.5	4.3	+4.7%	2.3	2.2	+4.5%
Foreign bank-related firms[3]	3	2	2.1	1.9	+10.5%	1.4	1.2	+16.7%	0.7	0.7	+0.0%
Leasing firms in the Top 100[4]	15	--	6.4	...	...	6.1	...	...	0.3	...	...

(1)— Firms whose main activity consists of financing sales of their parent firm's product or services. **(2)—** Independent firms are not owned by another company. Affiliated firms are subsidiaries of other companies, but are not captive. **(3)—** Domestic and foreign bank-related firms are components of independent and affiliated companies. Domestic bank-related firms include those owned by savings intitutions. **(4)—** Leasing firms are included in the totals for captive companies, independent and affiliated companies, and domestic and foreign bank-related companies above.

Compiled by American Banker, Copyright 1988.

Finance Company Receivables

A breakdown of receivables by type, as of Dec. 31, 1987 or nearest fiscal yearend (dollar amounts in thousands)

	Consumer — Retail and Real Estate	
1	**General Motors Acceptance Corp., Detroit**	$60,549,600
2	**Ford Motor Credit Co., Dearborn, Mich.**	42,788,200
3	**Chrysler Financial Corp., Troy, Mich.**	14,458,700
4	**Sears Roebuck Acceptance Corp., Wilmington, Del.**	11,657,189
5	**American Express Credit Corp., Wilmington, Del.**	7,408,000
6	**General Electric Capital Corp., Stamford, Conn. (l)**	7,019,669
7	**Household Financial Services, Prospect Heights, Ill.**	6,593,900
8	**Beneficial Corp., Wilmington, Del.**	5,824,600
9	**Associates Corp. of No. America, Dallas**	4,845,310
10	**Avco Financial Services, Inc., Irvine, Calif.**	3,074,227
	Commercial — Industrial	
1	**General Motors Acceptance Corp., Detroit**	25,636,400
2	**Ford Motor Credit Co., Dearborn, Mich.**	9,200,600
3	**Chrysler Financial Corp., Troy, Mich.**	7,686,700
4	**Westinghouse Credit Corp., Pittsburgh**	4,334,694
5	**Heller Financial, Inc., Chicago (m)**	4,273,035
6	**General Electric Capital Corp., Stamford, Conn. (l)**	4,219,512
7	**Associates Corp. of No. America, Dallas**	3,745,371
8	**ITT Financial Corp., St. Louis, Mo.**	2,994,661
9	**Transamerica Financial Corp., Los Angeles**	2,509,266
10	**Security Pacific Financial Services, Inc., San Diego, Calif**	2,027,000
	Industrial and Equipment Leasing — Nonbank	
1	**General Electric Capital Corp., Stamford, Conn. (l)**	16,667,645
2	**General Motors Acceptance Corp., Detroit**	7,699,900
3	**IBM Credit Corp., Stamford (l)**	3,724,535
4	**Xerox Credit Corp., Stamford, Conn. (l)**	2,567,000
5	**Chrysler Financial Corp., Troy, Mich.**	1,562,300
6	**McDonnell Douglas Finance Corp., Long Beach, Calif. (l)**	1,323,800
7	**Philip Morris Credit Corp., New York (l)**	1,302,800
8	**U S West Financial Services, Inc., Englewood, Colo. (l)**	1,256,156
9	**Transamerica Financial Corp., Los Angeles**	1,095,955
10	**Westinghouse Credit Corp., Pittsburgh**	835,736
	Industrial and Equipment Leasing — Bank-Related	
1	**Citicorp, New York**	3,372,000
2	**Security Pacific Corp., Los Angeles**	3,075,648
3	**Marine Midland Banks, Inc., Buffalo, N.Y.**	2,851,377
4	**Chase Manhattan Corp., New York**	2,373,228
5	**Manufacturers Hanover Corp., New York**	2,355,000
6	**Bank of New England Corp., Boston**	1,409,243
7	**Chemical Banking Corp., New York**	1,383,000
8	**Wells Fargo & Co., San Francisco**	1,335,315
9	**First Interstate Bancorp., Los Angeles**	1,237,620
10	**Bank of Boston Corp.**	882,125
	Factoring Volume	
1	**CIT Group Holdings, Inc., Livingston, N.J. (g)**	7,610,000†
2	**Heller Financial, Inc., Chicago (m)**	4,211,000
3	**Citizens & Southern Commercial Corp., Atlanta (g,n)**	4,189,000†
4	**Congress Financial Corp., New York (g)**	4,000,000
5	**Irving Commercial Corp., New York (g)**	3,800,000†
6	**Republic Factors Corp., New York (g)**	3,000,000†
7	**BancBoston Financial, New York (g)**	2,966,000†
8	**Barclays American Corp., Charlotte, N.C. (m)**	2,779,632
9	**BT Factors, New York (g,o)**	2,300,000†
10	**Security Pacific Financial Services, Inc., San Diego (g)**	1,359,000

Data Sources: *American Banker* finance company survey questionnaire, whenever possible. However, the data for "Industrial and Equipment Leasing — Bank-Related" were provided by ADP Data Services Division, New York, from their data base of bank holding companies reporting to the Federal Reserve Board on Form Y-9. Also, factoring data from the *Daily News Record*— a textile trade newspaper based in New York— were used for factoring firms not responding to this year's survey. **Please note:** the consumer, commercial, and non-bank related lists shown above may be incomplete because break downs for several of the large firms were not available. **Net receivables** are broken down into three operational types: consumer-retail and real estate, which includes home equity loans; commercial-industrial; and industrial and equipment leasing. Industrial and equipment leasing are broken down into two groups— nonbank and bank-related. Data for bank-releated leasing firms are not available. Therefore, total leasing receivables at the bank and all its subsidiaries are reported. These are the data from ADP Data Services Division. Factoring receivables or "volume" are reported gross. For some companies it is not possible to net out unearned discount and loan loss reserves by type. For these companies, therefore, the sum of the net receivables shown above may exceed total net receivables reported in the "Top 100 Finance Companies" listing. Complete definitions of these four operational categories appear in a story accompanying the tables. **(g)—** A subsidiary of a domestic commercial or savings banking organization. **(l)—** A leasing company. **(m)—** Owned by a foreign commercial banking organization. **(n)—** Includes Chemical Business Credit which was acquired from Chemical Banking Corp. at yearend 1987. **(o)—** BT Factors is a division of Bankers Trust Co., New York. **(†)—** Factoring data are from the February 26, 1988, *Daily News Record*.

Descriptions and Definitions

By L. MICHAEL CACACE

The *American Banker's* 38th annual survey of the finance industry is presented in seven tables:

- The main listing consists of the 100 largest firms in order of their total capital funds as of Dec. 31, 1987. Total capital funds for 1986 are also shown, along with the 1986 capital funds rank and gain in rank. The other yearend 1987 data shown in this table are capital and surplus; net receivables; total assets; net income; deferred income; gross receivables acquired; and bank credit lines available plus those in use.
- *American Banker* also lists the top 50 finance companies in total assets. The companies are listed in order of their yearend 1987 assets. Also shown is the Dec. 31, 1986, total asset figure and the percentage change in assets from 1986 to 1987.
- *American Banker* lists the top 50 finance companies in net income. The companies are listed in order of their 1987 net income. Also shown is the 1986 net income and the percentage change in net income from 1986 to 1987.
- Another table lists the captive finance companies in the survey in order of total capital funds. **Captive companies** are those whose main function consists of financing sales of their parent firm's product or services. This year there are 31 such companies in the listing.
- A separate table lists the top independent or affiliated finance companies in the survey in order of their capital funds. **Independent companies** are not owned by other companies. **Affiliated companies** are subsidiaries of other companies but are not captives. This year there are 93 such companies in the listing.
- There is a listing of domestic commercial and savings bank-related finance companies and of foreign bank-related finance companies with capital funds of $5 million or more. Included in this table is the name of the parent banking company. By definition, bank-related companies are affiliated companies and appear on the listing of independent and affiliated companies.
- Another table breaks down the receivables outstanding at a finance company into four types: consumer, commercial, leasing and factoring. The top 10 firms in each category are identified. In this case of leasing companies there are two lists: the 10 largest nonbank-related companies and the 10 largest bank-related companies. Consumer, commercial, and leasing receivables are reported net of loan losses and earned income, wherever possible, and are for Dec. 31, 1987. The factoring receivables are reported gross and represent the volume of business for the entire year 1987. Complete defintions are listed below.

The definitions used by *American Banker* for the listings described above are listed below.

Total capital funds is the sum of stockholders' equity and noncurrent subordinated debt. Stockholders' equity is the sum of capital plus surplus. Noncurrent subordinated debt is subordinated debt with a remaining maturity of more than one year.

Receivables include direct loans and paper purchased from manufacturers, wholesalers, and retailers. **Gross receivables** include unearned income and reserves for loan losses, while **net receivables** exclude unearned income and loan-loss reserves.

Net income is income for the entire year after taxes but before extraordinary items.

Deferred income is another term for **unearned discounts.** It is the sum of prepaid interest on loans outstanding.

Bank credit lines are the sum of bank credit available plus in use. For bank-related finance companies, the bank credit line is often reported to *American Banker* as zero or not applicable, since these companies are usually funded by their parent. We report zero in this category for all bank-related companies reporting "not applicable".

Consumer-retail and real estate receivables are those obtained through the financing of the consumer through direct cash loans or through the purchase of installment sales paper from dealers and retailers. Most of the real estate receivables are **home equity loans**, which are personal loans secured by second mortgages.

Commercial-industrial receivables are those obtained through the financing of small and medium-size businesses, including agribusinesses, through secured short-term loans. In most cases, a firm offers its accounts receivables as security, and the lending arrangement is called "accounts-receivable financing." Inventories or plant equipment also may be used as collateral.

In addition to the short-term accounts-receivable financing, businesses also receive funds on longer-term installment receivables by selling them to finance companies. These are industrial-sales finance transactions.

Industrial/equipment leasing is a type of asset-based lending where the lender owns the physical asset to be financed. Generally, longer term fixed assets are financed by finance companies via leasing.

Factoring is a type of asset-based lending where the lender buys the borrower's receivables and extends funds before their collection. The factor usually collects the receivables on a nonrecourse basis.